

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3954-01
Bill No.: HB 1509
Subject: Retirement – State; Retirement Systems and Benefits – Law Enforcement
Type: Original
Date: February 22, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement** indicates that this legislation does not represent a “substantial proposed change” in future plan benefits as defined in Section 105.660(5), and, as such, an actuarial cost statement is not required.

Officials with the **Kansas City Police Retirement System (KCPRS)** assume the proposal has no fiscal impact on their retirement system.

Officials with the **Department of Insurance (INS)** assume the proposal has no fiscal impact on their agency.

Officials with the **Department of Public Safety – Missouri State Highway Patrol (MHP)** assume the proposal has no fiscal impact on their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal requires the Kansas City Police and Police Employees' Retirement Board to make certain changes. These changes are in compliance with the changes in the Internal Revenue Code due to the passage of the Economic Growth and Tax Relief Act of 2001.

The bill:

- (1) Prohibits the board from adopting any policy that would impose an increase in contributions without the city's consent;
- (2) Requires that any policy adopted by the board in contravention of any provision in the statutes to remain valid only until the close of the next regular session of the General Assembly, unless the statutes are amended during the session to adopt and incorporate the policy within statute;


DESCRIPTION (continued)

- (3) Requires a member's benefits to be 100% vested and nonforfeitable upon the member's attainment of the normal retirement age;
- (4) Requires the distribution of benefits to begin no later than April 1 of the year following the calendar year during which the member becomes 70 1/2 years of age;
- (5) Limits benefits to those set under Section 415 of the Internal Revenue Code;
- (6) Limits the total salary taken into account for any purpose for any member to no more than \$200,000 per year. This amount will change as permitted by the Internal Revenue Code;
- (7) Gives the board authority to change actuarial assumptions at any time;
- (8) Allows a member or beneficiary to transfer an eligible rollover distribution to another eligible retirement plan; and
- (9) Give the board authority to provide fiduciary liability insurance.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
Kansas City Police Retirement System
Department of Public Safety
Missouri State Highway Patrol
Department of Insurance



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Acting Director
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